

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 IO-14 AID-20 OMB-01 EUR-25 ACDA-19 NIC-01

EB-11 COME-00 DLOS-07 COA-02 SIL-01 LAB-06 HEW-08

AGR-20 TRSE-00 CIEP-03 DRC-01 /235 W

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R 101354Z AUG 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 1399

INFO AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

USCINCSO

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TAGS: PFOR, PLOS, ELAB, PINT, PE, CI, CU

SUBJECT: PRESIDENT VELASCO'S PRESS CONFERENCE, AUGUST 8, 1974

1. PRESIDENT JUAN VELASCO GAVE 3-HOUR CONFERENCE AUGUST 8
WHICH INCLUDED SEVERAL MAJOR TOPICS:

2. PERU-CHILE. VELASCO STATED THAT NEITHER CHILEAN GOVERN-
MENT NOR CHILEAN PEOPLE SHOULD BELIEVE THAT PERU WOULD ATTACK
THAT NATION. RUMORS TO CONTRARY ARE A PLOY OF BIG POWERS,
IMPERIALIST COUNTRIES. THEIR POLICY, HE SAID, IS TO PROVOKE
CONFRONTATION BETWEEN OTHER COUNTRIES TO DIVIDE THESE COUNTRIES
AND THEN REAP BENEFITS. IN THE SAME VEIN, ACCORDING TO
CORREO BUT NOT REPEATNOT IN OFFICIALLY EDITED VERSION, HE
STATED THAT THE SURFACE TO AIR MISSILES (SIC) AND SOVIET
TANKS PARADED JULY 29 WERE ONLY REPLACEMENTS OF OBSOLETE
EQUIPMENT. HE ADDED THAT SOVIET TANKS WERE PURCHASED BECAUSE:

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1) U.S. ATTACHED STRINGENT CONDITIONS ON PURCHASE OF ITS

TANKS, 2) PERU, AS SOVEREIGN NATION COULD BUY WHERE IT PLEASED, AND 3) SOVIET TANKS WERE "THE CHEAPEST IN EXISTENCE."

3. PERU-CUBA. HE SATED THAT, "WE ARE VERY GOOD FRIENDS WITH CUBA" (ACCORDING TO TAPED VERSION BUT NOT PRINTED IN OFFICIAL TEXT). HE ADDED THAT PERU AND CUBA ARE TWO DIFFERENT COUNTRIES WHO ARE FOLLOWING DIFFERENT PATHS, BUT SINCE BOTH ARE REVOLUTIONARY COUNTRIES THEY HAVE SOMETHING IN COMMON.

4. LOS. HE ONCE AGAIN REAFFIRMED THAT PERU WILL CONTINUE TO DEFEND STRONGLY ITS 200-MILE TERRITORIAL SEA THESIS. HE ALSO NOTED THAT CHILE CHANGED ITS POSITION ON THIS POINT. CHILE NOW TALKED OF 200-MILE PATRIMONIAL SEA. HE ADDED THAT THIS CHANGE OF POSITION STARTED UNDER THE ALLENDE GOVERNMENT.

5. PROPOSED RENT LAW. HE HINTED AT WHAT NEW RENT LAW COULD BE LIKE BY COMPARING OWNERSHIP OF HOUSE TO INVESTMENT IN BANK. RENT CHARGED BY OWNERS WOULD BE NO MORE THAN INTEREST PAID IN BANKS (9-10PERCENT) PLUS AMOUNT ALLOWED FOR DEPRECIATION (4-5 PERCENT). NEW LAW WOULD BE "HUMANIST AND REVOLUTIONARY" BECAUSE MINISTER OF HOUSING IS A REVOLUTIONARY MAN, BUT WOULD NOT PREJUDICE INTERESTS OF LANDLORDS AS THIS WOULD STOP HOUSING CONSTRUCTION.

6. PRESS. HE CONTINUED HIS INVECTIVE AIMED AT U.S. BASED INTERAMERICAN PRESS ASSOCIATION (SIP), CALLING THEM A "SERVILE CLUB" AND "MAFIOSOS" WHO HAVE NEVER DEFENDED INTERESTS OF ANY-BODY OTHER THAN "IMPERIALISTS."

7. DISTURBANCES IN MIRAFLORES. HE STATED THAT GOP COULDN'T BE ANY STRONGER AS IT HAS SUPPORT OF MASSES. HE ADDED THAT ALL "GOOD PERUVIANS" SUPPORT MILGOV AND INCA PLAN, AND THAT REFORMS LAID OUT IN INCA PLAN WILL CONTINUE. OLIGARCHS AND THEIR FOLLOWERS CREATED DEMONSTRATIONS AND PROBLEMS BECAUSE INCA PLAN PROVISIONS DO NOT SUIT THEM. HE ALSO, FOR FIRST TIME, PUBLICLY CLAIMED THAT APRISTAS AND MEMBERS OF POPULAR ACTION PARTY TOOK ADVANTAGE OF DEMONSTRATIONS TO JOIN IN PROTESTS. OFFICIAL TEXT CALLED THEM "COUNTERREVOLUIONARIES" AND USED STRONGER LANGUAGE THAN PRESIDENT DID DURING CONFERENCE. REFERRING TO PEOPLE ARRESTED, CORREO QUOTED HIM AS SAYING "THERE ARE NO LIMITED OFFICIAL USE

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POLITICAL PRINSONERS IN PERU . . . OUR ENEMIES ARE DEPORTED; PERHAPS IN OTHER COUNTRIES THERE ARE POLITICAL PRISONERS."

8. TEACHERS. HE AFFIRMED THAT GOP HAD MET WITH TEACHERS UNIONS IN ATTEMPT TO IRON OUT PROBLEMS OF TEACHERS, WHO, HE SAID, ARE POORLY PAID AND WERE FORGOTTEN BY PREVIOUS GOVERNMENTS. HE ADDED "A LARGE GROUP LIKE THE TEACHERS CAN'T BE PERMITTED TO BE ENEMIES OF THE REVOLUTIONARY GOVERNMENT. THERE IS NO REASON FOR

THEM TO BE ENEMIES."

9. NEW ECONOMIC SECTOR. HE MENTIONED POSSIBILITY OF CREATING A FIFTH ECONOMIC SECTOR OF SOCIETY, MADE UP OF MEMBERS OF COOPERATIVES AND SOCIAL AGRICULTURAL SOCIETIES. THIS WOULD BE IN ADDITION TO FOUR SECTORS ALREADY IN EXISTENCE: STATE, PRIVATE, REFORMED PRIVATE, AND SOCIAL PROPERTY.

10. CABINET CHANGES. HE MENTIONED THAT AT END OF THIS YEAR, VARIOUS CABINET CHANGES WILL BE MADE AS SENIOR MILITARY OFFICERS RETIRE. THE MINISTER OF LABOR, GENERAL SALA OROZCO, WAS ONLY SPECIFIC PERSON MENTIONED. REPLACEMENTS WILL BE NAMED STRICTLY IN ACCORDANCE WITH MILITARY SENIORITY RULES, HE ADDED.

(COMMENT: HE THEREBY APPARENTLY SCOTCHED THE RECURRING RUMOR THAT MILGOV MIGHT EXTEND RETIREMENT DATES OF SENIOR GENERALS TO KEEP THEM IN CABINET.)
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